



NAVAL SEA SYSTEMS COMMAND Performance Based Logistics (PBL) Overview

Keeping America's Navy #1 in the World

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PBL Guidance Overview

- **FY 2003-07 QDR.** “Compress supply chain, eliminate non-value added steps, reduce TOC and improve readiness.”
- **FY 2003-2007 Defense Planning Guide** – Implement PBL on all new weapon systems and ACAT I/II fielded systems.
- **USD (AT&L) Memo, “TLCSM and PBL”**
 - Memorandum signed Mar 03
 - Provides key activities and outputs to effectively implement TLCSM & PBL.
- **ASN(RD&A) PBL Requirements**
 - PBL Implementation Plan signed May 02
 - PBL Guidance Document signed due Jan 03
- **NAVSEA PBL Guidance**
 - PBL Policy Memorandum signed Jan 03
 - Draft NAVSEAINST 4000.7
 - Draft PM Guide to PBL

Implementation is now.



DoN PBL Guidance Document

- Focus of every PBL Strategy – Translate warfighter specified levels of operational performance into a sustainment program that optimizes system readiness and cost.
- Goal – Improve warfighter logistics support using performance measures to enhance flexibility and effectiveness, while maintaining or reducing cost.
- Approach – A Total Life Cycle Systems Management (TLCSM) approach is best suited to meet the PBL goal by focusing decisions regarding requirements, acquisitions and logistics on improving total life cycle support and reducing cost.

Major shift to focus on buying a predetermined level of performance to meet warfighter objectives, rather than spares, data, etc.



DoN PBL Guidance Document (cont.)

- Characteristics of a PBL-based support strategy:
 - Warfighter provides focused product support objectives using performance based language and metrics
 - Formal Performance Based Agreement (PBA) between the warfighter and the PM that identifies objectives
 - Use of supportability requirements to influence design
 - Continuous performance measurement and tracking
 - Assignment of a Product Support Integrator (Contractor or Government)
 - Use of a Business Case Analysis (BCA) to support & manage decisions
 - Application of mutually beneficial incentives

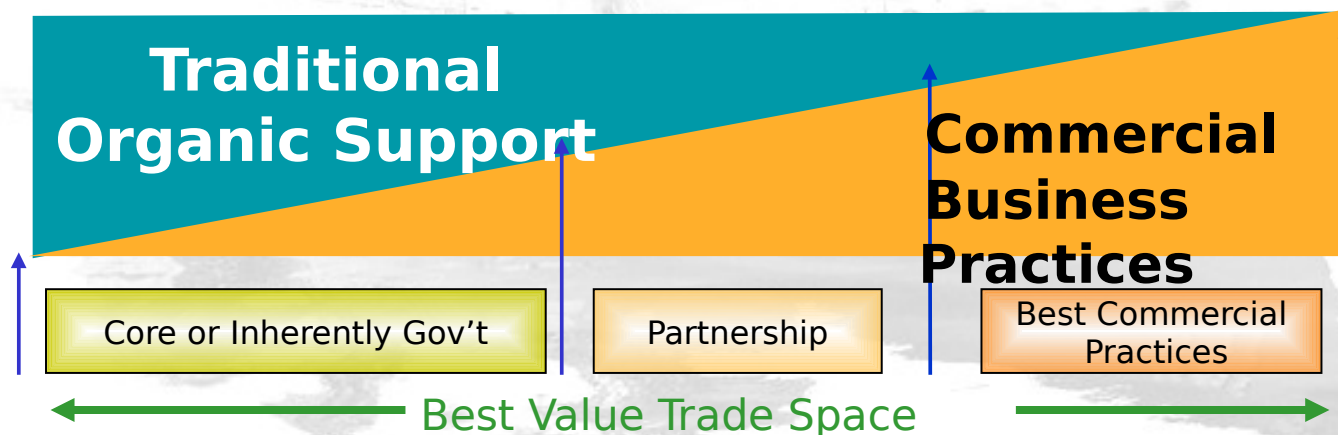


PBL Definition

DoD Definition

A **strategy** for weapon system product support that employs the **purchase of support** as an integrated, affordable performance package designed to **optimize system readiness**. It meets performance goals for a weapon system through a support structure based on long-term performance agreements with clear lines of authority and responsibility.

Performance Based Logistics Spectrum

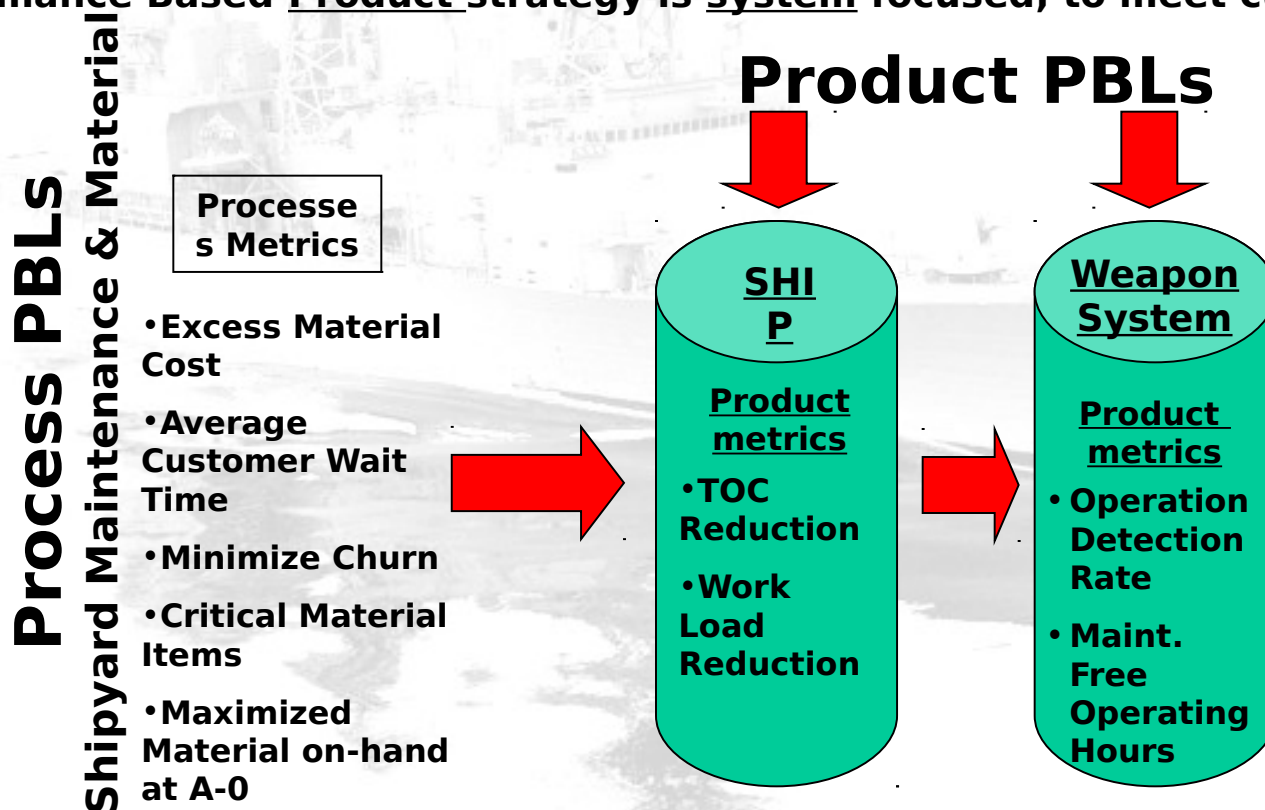


Major PBL Does not mean contractor logistics support.



PBL Strategy Process and Product Approach

- Product support metrics measure product (system) **PERFORMANCE**, while Process metrics measure process **EFFECTIVENESS**
- A Performance Based Process strategy is customer focused, to meet end-to-end supply to user req'ts
- A Performance Based Product strategy is system focused, to meet customer performance req'ts





NAVSEA PBL Policy

- NAVSEA PBL instruction, comments received from PEOs. Final instruction anticipated 15 March 2004.
- NAVSEA BCA instruction in final review. Comments due by 20 February 2004.
- Joint NAVSEA/NAVSUP PBL PM Implementation Guide. In final review with comments due by 22 March 2004.
- Standard Business Case Analysis Guidance document for selecting a Product Support Alternative. Development at approximately 50%. Draft for initial PEO review 22 March 2004.



NAVSEA - *PBL Implementation Steps*

- 1. Perform Initial Program Assessment***
- 2. Stand up Integrated Product Team***
- 3. Capture Warfighter System Performance Requirements***
- 4. Develop Tailored Support Strategy***
- 5. Develop Performance Based Agreement (PM-Warfighter)***
- 6. Conduct Business Case Analysis***
- 7. Develop Product Support Contract/Agreements***
- 8. Manage Support Contract through Product Support Integrator***
- 9. Reassess Support Requirements and Strategy Periodically***

Tailor must be steps to overall program requirements.

Warfighter Involvement

- ❖ PBL briefed to Warfighter to include COMLANTFLT N42/N43, COMPACFLT N00/N01/N41/N43, CNSL/CNSP N41/N43, CNET, SWRMC, RSG Norfolk, and FTSC LANT in past four months
- ❖ PBL is aligned with the direction of Task Force Excel
- ❖ In -service PBL will leverage existing data systems until ERP arrives
- ❖ There needs to be a standing War Fighter body for PBL continuity

❖ **Overall positive response - War Fighter likes being invited to be part of the solution, integrating requirements into a performance based approach.**

Positives

Cautions

- | | |
|--|---|
| <ul style="list-style-type: none"> ❖ Most appropriate to new acquisition in order to reduce manning (CPF) ❖ Warfighter is CFEC. (CLF) ❖ Maintenance Free Operating Period is a good metric (Various) ❖ PBL is a "great idea" particularly if it can help with parts support - primary focus of in-service system support (RSG) ❖ PBL can help us get closer to realistic readiness by guiding | <ul style="list-style-type: none"> ❖ There needs to be financial and contract flexibility if priorities change (CPF and CNET) ❖ Over the duration of a system, commercial support will diminish as it becomes less profitable - need for long term incentives (CLF) ❖ Key metrics include velocity (speed of logistic train to include parts and tech assist) and accuracy. (SWRMC and CNSP) ❖ How does supportability transition |
|--|---|



Purpose for the War Fighter PBA

- ❖ **PM, War Fighter and Industry work together to determine what is reasonable and attainable given the state of technology and available resources.**
- ❖ **Formal agreement (MOA/MOU) between PM and Warfighter that becomes the foundation for supportability trades.**
- ❖ **Means for Warfighter to formally identify performance requirements**
- ❖ **Agreement identifies:**
 - **Outcome performance thresholds and objectives,**
 - **Constraints, boundary conditions, terms and conditions**
 - ***PBA Does Not Circumvent Programmatics***
 - **Resources and target price for set level of**



Business Case Analysis

- Ensures the Government receives “best value” for dollars spent on product support
- Ensures that Industry receives a fair profit
- Assists in determining the cost effectiveness of strategic sourcing decisions

BCAs are inherent to best value product support!

- Sets the bench mark for program



PBL Creates a Framework That

- ✓ Links strategic sourcing decisions to War Fighter requirements and TOC objectives
 - ✓ Places strategic sourcing decision in context of the broader Navy support strategy
 - ✓ Provides an implementation process for
- PBL provides a framework that links War Fighter requirements to the acquisition and support processes.***



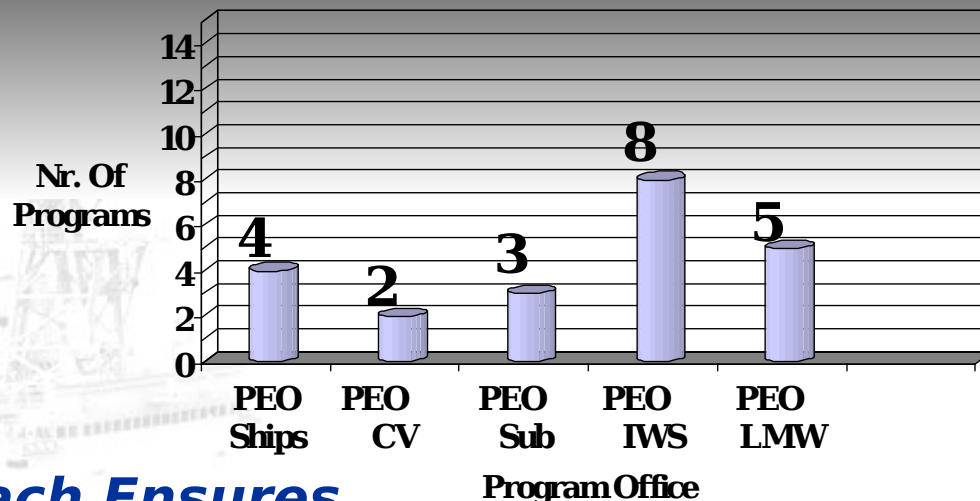
PBL Challenges

- Ability of PM to execute TLCSM requires financial authority and resources.
- Transfer of resources from the Fleet limits their flexibility.
- Definition of desired performance outcomes, metrics, threshold/objective requirements and required resources is a daunting task.
- Fundamental changes in acquisition and business processes require a new training focus.
- Must ensure that legal and color of money issues are addressed.



Summary

**22 Programs are
in various stages
of the PBL
process.**



The NAVSEA PBL Approach Ensures

- ✓ **Continuous War Fighter Involvement that brings the fleet perspective to the design bench.**
- ✓ **Performance Based Agreements that incentivize product support providers to deliver the required War Fighter performance.**
- ✓ **Alignment of War Fighter, Programmatic and Corporate interest into balanced product support solutions.**
- ✓ **Continuous Product Support Assessments that consider all stakeholders when assessing progress toward fleet driven performance objectives.**



Questions ?

NAVSEA POCs

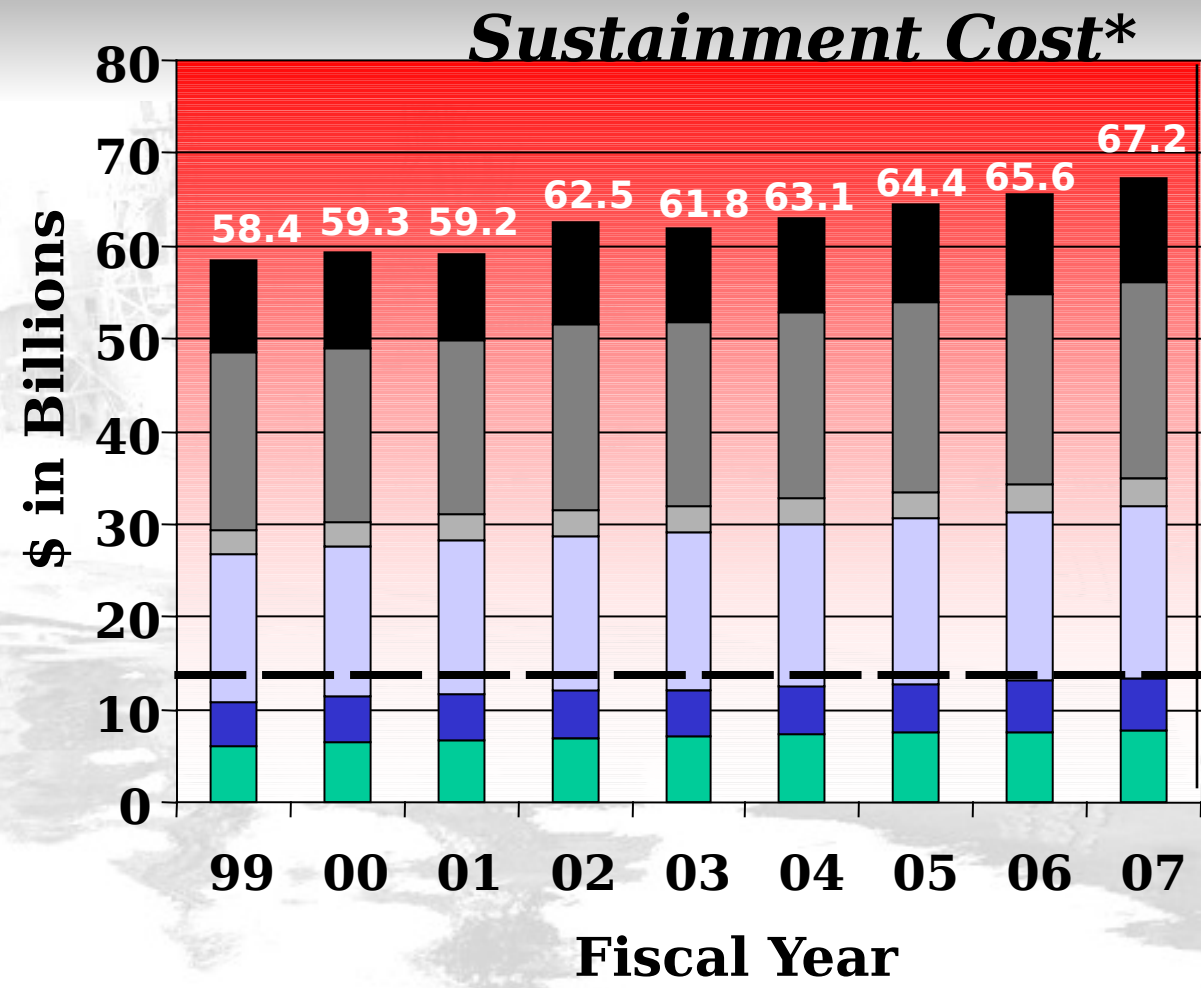
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or

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Expanding PBL Focus to Total Life Cycle Support



PBL

SCN/OM, N
WCF

PBS

*Source: FY02 BES, TY Dollars



FY04 Targeted PBLs ...

34 Targeted for

FY04

<u>Code</u>	<u>WSO</u>	<u>SYSTEM</u>	<u>TYPE</u>	<u>EAD</u>	<u>Value (M)</u>	<u>R/A/G</u>
05821	Kenneth Faulkner	High Security Padlocks	O	Oct.03	\$0.5	Awarded
05834	Christian Velasco	TACAN (URN-25)	O	Oct.03	\$10.0	Awarded
8421	Rick Washinger	VLS Cables	O	Oct.03	\$10	Awarded
05834	Christian Velasco	IFF Digital Transponder	Full	Nov.03	\$0.1	Awarded
05842	Glenn Dietrick	NATO SEASPARROW/ TAS/MK23	Full	Nov.03	\$30.0	Awarded
05823	Paul Rabanal	Caterpillar Diesel 930	C	Jan.04		G
05834	Christian Velasco	AN/TPX-42 (V)	O	Jan.04	\$13	G
05841	Christian Mahler	MK 41VLS Extension	Full	Jan.04	\$77.0	G
05821	Kenneth Faulkner	Air Compressor (LPACs/HPACs)	MSP	Feb.04	\$94.0	G
05832	Wes Griffin	ARS/RONS	C	Feb.04		G
05843	Phil Brammer	AN/WSN-7	Full	Feb.04		G
8421	Rick Washinger	CCS MK2 Bk2	O	Feb.04		G
05821	Kenneth Faulkner	4-Gas Analyzer	C	Mar.04	\$10	G
05823	Paul Rabanal	LCAC Gearbox	MSP	Mar.04	\$0.4	R
05832	James Bentsel	AN/TMQ-44(V)METMF	O	Mar.04	\$0.5	G
05832	James Bentsel	SSEE Inc. E	O	Mar.04		G
05832	James Bentsel	ADMS	O	Mar.04	\$0.4	G
05832	James Bentsel	ADAS	O	Mar.04	\$2.2	G
05832	James Bentsel	COBLU	O	Mar.04	\$3.5	G
05842	Glenn Dietrick	SSDS/RAIDS	O	Mar.04	\$0.2	G
8421	Rick Washinger	AN/BSY-2 & AN/BLQ-10	Full	Mar.04		G
05832	Wes Griffin	AN/SQQ-32 & AN/SLQ-48	Full	Apr.04	\$ 42.0 / \$16.5 - \$219	G
05843	Phil Brammer	AN/SLQ-32 Addition	O	Apr.04		G
05832	James Bentsel	AN/USC-38	Full	Jun.04		G
05834	Christian Velasco	VIDS	C	Jun.04	\$0.1	G
8421	Rick Washinger	CADF Lite Antenna	Full	Jun.04		G
8421	Rick Washinger	Rapid Tactical Insertion	O	Jun.04		G
05843	Phil Brammer	AN/SPS-49(V)	O	Jul.04	\$0.4	G
8421	Rick Washinger	AN/BQN-17A	Full	Jul.04		G
05832	James Bentsel	AN/UMK-4 (V) NITES	O	Sep.04		G
05834	Christian Velasco	SATCC	O	Sep.04	\$0.1	G
05842	Glenn Dietrick	CEC AN/USG-2	Full	Sep.04	\$ 100 plus	G
8421	Rick Washinger	Weapons Launch Console	O	Sep.04		G
05834	Christian Velasco	ASPARCS	C	FY 05		A

Green indicates award within FY04 timeframe



Maritime PBL Initiatives

Awarde

IWST	PBL	TYPE	Awd Dt
Ship Propulsion Team	ICAS	C	Jun-98
Ship Propulsion Team	Isotopes	C	Sep-98
Minewarfare Specwar Team		AN/SQQ-32(V), BSP	C
		Oct-97	
Minewarfare-Specwar Team		F-470	C
	Dec-97		
Missile Fire Control Team	AEGIS (LM)	MSP+	Jan-98
Deck&Auxiliary Team	EEBD	C	Feb-98
Missile Fire Control Team	AN/UYQ-70	C	Sep-98
Detection Systems Team	AN/SLQ-32 LSS	O	Oct-98
Ships Propulsion Team	LM2500	C	Mar-99
Diesel/Propulsion Team	ROD	C	Apr-99
Submarine Ship Systems	ARCI/BQQ-10	Full	Apr-99
Integrated Self Defense	AN/AMP-383	MSP	May-99
Satcom-Excom Team	ADNS	O	Jun-99
Satcom-Excom Team	NAVMACS II	O	Jun-99
GPETE Team	GPETE/CAL Stds	C	Jun-99
Missile Fire Control Team	MK-92	MSP	Jun-99
Detection Systems Team	AN/SQQ-89(V)6	MSP	Jun-99
Satcom-Excom. Team	SSEE	O	Jul-99
Air Prgms-Torpedos-ATC	Sidewinder	MSP	Aug-99
Missile Fire Control Team	AN/UYA-4	MSP	Aug-99
Missile Fire Control Team	AN/UYQ-21	MSP	Aug-99
Missile Fire Control Team	NTCSS	O	Aug-99
Missile Fire Control Team	SNAP III	O	Aug-99
Missile Fire Control Team	NALCOMIS	O	Aug-99
Missile Fire Control Team	TAC 3	O	Aug-99
Missile Fire Control Team	TAC 4	O	Aug-99
Integrated Self Defense	Raytheon Svcs	MSP	Aug-99
Submarine Ship Systems	AN/BSY-2	MSP	Aug-99
Submarine Ships System	AN/BQG-5	MSP	Aug-99
Satcom-Excom Team	JMCIS	O	Oct-99
Deck&Auxiliary Team	25 Man Life Raft	C	Feb-00
Satcom-Excom Team	SCCTV	O	Feb-00
Integrated Self Defense	CIWS	Full	Mar-00
Satcom-Excom Team	BGPHEs	O	Apr-00
Submarine Ship Systems	AN/WRR-12 SLVR	O	May-00
Submarine Ship Systems	CCS MK2 Mod 0	Full	May-00
Deck&Auxiliary Team	P100 Pumps	C	Jun-00
Deck&Auxiliary Team	Berthing	C	Jul-00

IWST	PBL	TYPE	Awd Dt
Minewarfare-Specwar Team	SDV	O	Oct-00
Satcom-Excom Team	SSEE Inc. D	O	Oct-00
Missile Fire Control Team	AEGIS - Raytheon	Full	Oct-00
Detection Systems Team	CV-TSC AN/SQQ-34	O	Oct-00
Submarine Ship Systems	AN/BPS-15H	Full	Oct-00
Missile Fire Control Team	MK-41 VLS	Full	Nov-00
Submarine Ship Systems	AN/BYQ-6	O	Nov-00
Satcom-Excom Team	TRDF	O	Jan-01
Air Prgms-Torpedos-ATC	AN/UPX 24 & OE-120	O	Feb-01
Deck&Auxiliary Team	Life Raft Inflat Cylinder	C	Mar-01
Ship Propulsion Team	PLC	C	Apr-01
Deck&Auxiliary Team	PKP Fire Extinguisher	C	Apr-01
Deck&Auxiliary Team	MROD	C	May-01
Deck&Auxiliary Team	50 Person Life Raft	C	Jun-01
Deck&Auxiliary Team	Reusable Bulk Containers	C	Aug-01
Deck&Auxiliary Team	Life Raft Inflation Valve	C	Aug-01
Deck&Auxiliary Team	Chesterton	C	Sep-01
Ship Propulsion Team	Refrigerant Leak Monitors	C	Oct-01
Missile Fire Control	AEGIS (LM)	Full	Mar-02
Air Prgms-Torpedos-ATC	MX XII IFF	O	Mar-02
Deck&Auxiliary Team	FTIC	C	Mar-02
Submarine Ship Systems	AN/BPS - 15J Radar	Full	Mar-02
Submarine Ship Systems	AN/BSQ-9(V) TFDS	O	Apr-02
Satcom/Excom Team	WSC-8(v) 1&2	Full	Jul-02
Deck&Auxiliary Team	Tubeaxial Fan	C	Sep-02
Submarine Ship Systems	AN/BPS-16(V) 2/3 &4	Full	Oct-02
Deck&Auxilliary Team	Magnetic Couplings	C	Dec-02
Deck&Auxiliary Team	Fasteners CTC	C	Feb-03
Deck&Auxiliary Team	EEBD Resolicitation	C	Apr-03
Level 1/Subsafe	ASDS	Full	Apr-03
Deck&Auxiliary Team	DDG 51 Ships Store Ref	CLS	May-03
Level 1/Subsafe	Dry Deck Shelter	O	May-03
Satcom-Excom Team	CDN-L, AN/USQ-123A	MSP	May-03
GPETE Team	HYDRA	C	Jul-00/Jun03
Deck&Auxiliary Team	High Security Padlocks	O	Oct-03
Air Prgms_Torpedos-ATC	IFF Digital Transponder	O	Jan-00/Oct03
Integrated Self Defense	NATO Seasparrow/TAS	Full	Oct-03
Submarine Ship Systems	VLS Cables	O	Oct-03
Air Prgms-Torpedos-ATC	TACAN	O	Nov-03



PBL Programs of Record

PEO	PILOT	CODE	ACAT	PBL Code	MAJ OR CONTRACTOR	UPDATED PBL PROGRAM INFO.	
PEO SHIPS	LPD 17 Class	PMS 317	ID	Sub 2	Northrop Grumman/Raytheon	Fully Implemented FY08	
PEO SHIPS	LHD 8	PMS 377	IC	Sub 2	General Electric Corp.	Fully Implemented FY09	
PEO SHIPS	DDG 51 Class	PMS 400	1C	Sub 2	BIW/York	SEA/SUP PBL for all Refer ILS. Fully Implemented FY06	
PEO SHIPS	LHA(R)	PMS 377	1D	SUB 2	TBD	Fully Implemented FY13	
PEO SHIPS	DD(X)	PMS 500	1D	S1/ Sub 2	TBD	Fully Implemented FY11	
PEO IWS	AEGIS (AWS) (Baselines A-D)	PMS 400	II	S2	LM and Raytheon	PBL Programs for SPY-1 ver A thru D, & ver D(V). Fully implemented FY05	
PEO IWS	Ship Self Defense System (SSDS)	PMS 461	II	S2	Raytheon Corp.	Traditional Organic Support	Commercial Business Practices
PEO IWS	Cooperative Engagement Capability (AN/USG-2 BLK II)	PMS 465	ID	S1	Raytheon Corp.	Fully Implemented FY05	
PEO IWS	MK77/78 Evolved Sea Sparrow Missile	PMS 471	II	S2	Raytheon Corp.	Fully Implemented FY05	
PEO IWS	MK 31 Rolling Airframe Missile GMWS	PMS 472	II	S2	Raytheon Corp.	Fully Implemented FY10	
PEO IWS	MK 15 Close-In Weapon System (CIWS)	PMS 472	II	S2	Raytheon Corp.	Fully Implemented FY05	
PEO IWS	ASW Combat System Integration (SQQ-89)	PMS 411	IC	S2	Lockheed Martin Corp.	Fully Implemented FY10	



PBL Programs of Record (cont'd)

PEO	PILOT	CODE	ACAT	PBL Code	MAJ OR CONTRACTOR	UPDATED PBL PROGRAM INFO.
PEO LMW	Airborne Laser Mine Detection System (ALMDS)	PMS 210	II	S2	Northrop Grumman Ship Systems	Fully Implemented FY05
PEO LMW	Airborne Mine Neutralization (AMNS), MH-60S Variant	PMS 210	II	S2	Lockheed Martin Corp.	Fully Implemented FY07
PEO LMW	Rapid Airborne Mine Clearance System (RAMICS)	PMS 210	II	S2	Raytheon Corp.	Fully Implemented FY07
PEO LMW	Organic Airborne & Surface Influence Sweep (OASIS)	PMS 210	II	S2	TBD	Fully Implemented FY07
PEO LMW	Sonar Detecting Set (AN/SQS-20X)	PMS 210	II	S2	Raytheon Corp.	<div>Traditional Organic Support</div> <div>Commercial Business Practices</div>
PEO LMW	Remote Mine Hunting System (AN/WLD-1)	PMS 490	II	S2	Lockheed Martin Corp.	
PEO LMW	Long-Term Mine Recon System	PMS 403	II	S2	Boeing Company	Fully Implemented FY05
PEO CARRIERS	CVN 68 Class	PMS 312	1C	Sub 2	Northrop Grumman Ship Systems	Fully Implemented FY08
PEO CARRIERS	CVN X	PMS 378	1D	Sub 2	Northrop Grumman Ship Systems	Fully Implemented FY14
PEO SUBMARINES	Virginia Class	PMS 450	ID	Sub 2	Electric Boat Division of General Dynamics	Fully Implemented FY10